



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 88**
Streamlining Draft **AGOPRM 24**

Date: December 21, 2009 11:01 AM	Author:
Dept./Agy.: Office of Juvenile Justice	Analyst: Matthew LaBruyere
Subject: Juvenile Health care services	

Proposed recommendation by the Commission on Streamlining Government directs the Office of Juvenile Justice to privatize health care services in secure care through an RFP.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed recommendation will result in a decrease in state general fund expenditures if re-negotiated health care services contracts can be accomplished by the Office of Juvenile Justice (OJJ) at a lower cost.

Health care services for Juvenile Justice are contracted out for the 3 youth facilities. Swanson Center for Youth (SCY) is served by Louisiana State University Health Science Center - Shreveport (LSUHSC). Bridge City Center for Youth (BCCY) and Jetson Center for Youth (JCY) are served by LSUHSC - New Orleans. Both the New Orleans and Shreveport centers are contracted to provide health, mental health, and dental services to secure care youth. The contracts also include personnel and travel costs. The daily calculated rate of care showed that LSUHSC- New Orleans spent \$94 per day per bed and LSUHSC- Shreveport spent \$41 per day per bed.

The daily rate OJJ pays is significantly higher than the \$29.94 average of the six comparison states of Arizona, Colorado, Georgia, Maine, Ohio, and Oklahoma.

In FY 09, OJJ secure care facilities logged a total of 159,277 patient days. SCY recorded a total of 85,796 days. The JCY and BCCY facilities recorded 32,733 and 40,748 patient days, respectively.

Using the cost per day per bed at each facility and the patient days at each facility, the health care costs total \$10,424,850. With BCCY and JCY having the same \$94 rate, the cost is \$6,907,214. With SCY having a rate of \$41, the cost is \$3,517,636.

The contracts for health services were put into place while OJJ was under federal court supervision and mandated to provide services. Both LSUHSC facilities offered to provide services and have been the sole-source providers, without bid. The budgeted health care costs in FY 10 for LSUHSC - New Orleans is \$7,417,129 and for LSUHSC - Shreveport is \$3,755,826.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	H. Gordon Monk
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Legislative Fiscal Officer



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To the extent that LSUHSC - New Orleans is able to keep patients days constant and decrease its daily cost of care to match the \$41 per day per bed rate at LSUHSC - Shreveport, OJJ will recognize a total savings of \$3,894,493 (\$6,907,214 - (\$41 rate x 78,906 patient days)). It should be noted that a reduction to \$41 per day per bed may not be possible, but any reduction in rate per day per bed would reduce state general fund expenditures.

The extent to which savings will occur depends on proposals gathered once an RFP is issued and analyzed.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<u>H. Gordon Monk</u>
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	H. Gordon Monk Legislative Fiscal Officer
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	